

GAMING UPDATE

Volume 13, Edition 1

January 1999

Preparing for the New Millennium

2000

The year 2000 is just around the corner. It's obviously an exciting time for all of us.

But with that excitement comes a host of concerns and challenges — not the least of which is the computer systems we have become so dependent on during the last decade.

A major concern that you've no doubt heard or read about is the "Y2K" or Year 2000 problem (County/City lottery operators please see related article on page 11). Simply stated, many computer programs currently are unable to tell if a two-digit year ("yy") entry of "00" means the year "2000" or "1900." One potential worst case scenario is that individual computers will be unable to recognize this distinction and will simply shut down. Individual businesses around the world have been doing extensive audits of their software to determine if their computer systems will run after January 1, 2000. **All companies and other entities, including charitable organizations with computer systems, should be doing the same to make sure they can continue to operate effectively after this date.**

The Department of Revenue has been working diligently for some time now to ensure that services to Nebraska taxpayers and the licensees we regulate will not be adversely affected by the coming of the year 2000. All of the Department's computer functions (including those of the Charitable Gaming Division) are being tested and modified where necessary to ensure that we are Y2K compliant. While we are not completely there yet, our computer personnel assure us that the **services provided by the Charitable**

Gaming Division will not be interrupted as a result of the year 2000.

What things can you do to make sure your operations are not affected by the "Y2K bug?" If you have not already done so, you should:

- **Learn more about the Y2K problem and possible solutions.** Check the Internet. There is a wealth of information available relating to this potential problem.
- **Test your computer system.** If your organization uses a computer, make sure your system has been adequately tested to avoid problems in the year 2000. Make needed changes or replace equipment as necessary. Be sure to back up all computer programs and files before starting any serious testing to avoid the risk of losing any vital data.
- **Contact your software vendor.** Check to see if your current software programs are Y2K compliant and obtain any necessary updates to your system software.

The problem is real. Don't wait. Act now to address the problem for your business or organization. Licensed entities will be expected to comply with filing deadlines for all reports and tax returns. A little planning and preventative maintenance now can prevent some major headaches later.

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Goodbye and Hello!

The Charitable Gaming Division would like to extend a fond farewell to former Tax Commissioner **M. Berri Balka** who left the Department of Revenue recently after eight years of dedicated service to the citizens of Nebraska.

We also want to welcome and introduce you to **Chris Schweitzer** who joined the Charitable Gaming Division's licensing staff last July. Chris has been with the Department of Revenue since 1986, and has extensive experience in a number of tax and licensing related areas. Although Chris had to "hit the ground running" as she joined us right before license renewal season, she has done a wonderful job! We feel fortunate to have her on board. You can reach Chris for licensing information and assistance at **(402) 471-5939**.

Reminder to Pickle Card Operators...

We want to remind all pickle card operators that **Nebraska Pickle Card Regulation 35-309.06B** requires that **a copy of the receipt** issued by a licensed organization's sales agent for each pickle card unit that you have purchased must be **kept on your premises** for each unit that is currently **in play**. Department inspectors often ask for these receipts to verify sales and proper commissions. Once a pickle card game has been sold out, the receipt for that game can be filed at another location if you so desire. However, for each game in play, a receipt must be on the premises where the game is being sold. **Failure to maintain receipts** on the premises as required by this regulation could **result in the game being sealed and removed from play** by an inspector until the receipt is produced.

NEBRASKA DEPARTMENT OF REVENUE

Charitable Gaming Division Administrator — **Jim Bogatz**

Investigation Division Administrator — **Greg Schnasse**

Charitable Gaming Division Managers — **Steve Schatz, Policy/Licensing**
Gerald Otoupal, Audit

WHO TO CONTACT FOR

Audits, Annual and Quarterly Reports, and Tax Returns

Gerald Otoupal	471-5940
Gene Weiner	471-5953

Pickle Card Receipt Books

Mary Gropp	471-5937
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Licenses, Authorizations, Permits, Device Decals, and Forms

Carri Fitzgerald	471-5949
Chris Schweitzer	471-5939

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County/City Lottery Licensing and Game Conduct

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Todd Bornhoft	471-5925
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Dispensing Device Registration and Decals

Do you have your 1999 dispensing device registration decal(s)? If you sell pickle cards through a coin or currency- operated dispensing device, the 1999 decal should already be on your device. **If not, the dispensing device cannot be used until you have received the 1999 decal.** No pickle cards may be legally sold from any dispensing device that is not properly registered with the Department. **Inspectors from the Department's Investigation Division are currently performing on-site compliance checks to insure that all dispensing devices in use are properly registered for 1999.** Anyone using a dispensing device without a current registration decal affixed to it is subject to a **\$30 penalty** for each such device not properly registered. The 1999 decal has a bronze background with black lettering.

In mid-October, the Department mailed a preidentified 1999 Pickle Card Dispensing Device Renewal, Form 50F, to each licensed pickle card operator and licensed organization that had registered a device during 1998. In order to be considered timely filed, the renewal form was to be submitted to the Department on or before November 16, 1998. **Reminder notices were mailed on November 6** to those businesses and organizations which had not yet filed their registration renewal forms. **If you did not receive a registration renewal form or you need additional forms, please contact the Charitable Gaming Division at (402) 471-5937.** The Nebraska Registration and Report of Pickle Card Dispensing Device, Form 50F, and Instructions for Completion are also available at our Web site: www.nol.org/revenue/gaming/gaming.htm.

The annual registration fee is \$50 for each dispensing device. **The responsibility for registering a device depends on where the device is being used.** If a device is used at the location of a licensed pickle card operator, the responsibility lies with the pickle card operator even though the device may not be owned by the pickle card operator. If a device is used at the designated premises of a licensed organization or at the location of its regularly scheduled bingo occasion, the licensed organization is responsible for registering the device.

Some of the problems we have noted during our review of the registration renewal forms which have been filed to date include:

✓ Unauthorized Signatures

The form is not signed by an authorized individual. In the case of a licensed organization, the form must

be signed by an organization officer, utilization of funds member, or person authorized by a power of attorney either attached to the form or on file with the Department. In the case of a licensed pickle card operator, the form must be signed by an owner, partner, corporate officer, member, or person authorized by a power of attorney. **Business managers with no ownership interest in the business are generally not authorized to sign the form unless a power of attorney has been granted to such person.**

✓ Owned vs. Leased Devices

Changes in the ownership or lease status of the dispensing device has not always been indicated. Primarily, this relates to dispensing devices which were previously leased and are now owned by the pickle card operator and leases which have expired according to the lease expiration date on file in our office. **Changes in the ownership status of the dispensing device should be noted on the registration form.** If an expired lease has been extended or a new lease executed, the new expiration date should be indicated on the registration form and a copy of the new lease, if applicable, submitted with the registration form.

It is important that you keep our office informed throughout the year of any changes associated with the use of a dispensing device at your location. If the ownership of a business licensed as a pickle card operator changes and the dispensing device is to be retained by the new ownership, a Form 50F must be filed with the Department by the new ownership to reregister the device. If applicable, a copy of the new lease agreement must also be included. **The registration fee of \$50 will not be required under these circumstances.** If a dispensing device has been replaced, the replacement device must be registered with our office prior to its use. If applicable, a copy of the new lease agreement must also be included. **The registration fee of \$50 is required under these circumstances unless the device is a temporary replacement. A temporary replacement device may not be used for more than 30 days.** The installation of a temporary replacement device must be reported to the Department within five working days of the date the device was placed into service.

Dispensing Devices May Need Modifications to Accept New Bills

As many of you who utilize pickle card dispensing devices have probably learned by now, the bill acceptors on most of the existing devices are rejecting the newly designed \$20 bill. Designed to read currency much like a “bar-code” reader, the bill acceptors simply aren’t reading the new \$20s as a valid form of currency. Thus far, this has not become a major problem as an ample supply of the old \$20s are still in circulation. Additionally, it is our understanding that one, five, and ten dollar bills are inserted into dispensing devices far more frequently than twenties. For now, many of you may not find the \$20 bill issue enough of a problem to justify the expense of upgrading the bill acceptor; however, **you also need to be aware that changes in the design of the five and ten dollars bills are just around the corner.**

Whether you decide to upgrade the bill acceptors now or wait until later is entirely up to you. However, several dispensing device users have contacted us requesting information relative to modifying bill acceptors, and how the expense involved in upgrading a bill acceptor is to be handled. Here are some things you need to keep in mind:

- **Licensed organizations which own devices** that are located and utilized at their designated premises and/or at their own bingo occasion which decide to upgrade the bill acceptors must pay for the expense out of their pickle card checking account and account for the expense within their eight percent expense limitation.
- **Licensed organizations which are leasing devices** to pickle card operators may also pay for the upgrade of bill acceptors on such devices out of their pickle card checking account, but in doing so the expense of the upgrade, sales agent commissions, and all other operating expenses must not exceed the organizations’ eight percent expense limitation.
- **Pickle card operators that own their own devices** are responsible for all costs associated with any upgrades made. A licensed organization cannot assist in paying any of the upgrade cost when a device is owned by an operator.

If you are hesitant about making costly upgrades to your dispensing device bill acceptors, we suggest you monitor the sale of pickle cards through your devices to determine what portion of the sales are made with

\$20s. If the number of \$20s is minimal, you may not feel the upgrade cost is justifiable. As an alternative to upgrading you can retain the old \$20s removed from the devices and keep them for the use of pickle card players. A second option is to make change for the new \$20s with \$5 and \$10 bills. It may also be helpful (especially to a frustrated player trying to feed money into a bill acceptor that keeps rejecting it) to **place a sign on or near the dispensing device** advising that it will not take the new \$20s. For further information on dispensing device issues, service and lease related, contact Gerald Otoupal in our Lincoln office at (402) 471-5940.

Legislature’s General Affairs Committee Examines Gaming-Related Issues

The Legislature’s General Affairs Committee held interim study hearings on two gaming-related resolutions on December 3, 1998.

- ✓ **LR (Legislative Resolution) 398** involved an examination of the recent declines in charitable gaming revenues, the reasons for such declines, and possible solutions to counteract these trends. Testimony was provided showing that charitable gaming revenues have declined significantly since numbers peaked in 1994. Increased competition – primarily from casino operations in neighboring jurisdictions – and the influx of illegal gambling devices into the state are believed to be the main causes for these declines. A number of solutions were suggested:
 - Offer other forms of gambling to charities
 - Relax some of the current restrictions on charitable gambling
 - Beef up enforcement efforts on illegal gambling and/or impose greater penalties for violations of current laws
- ✓ **LR 397** focused on an examination of Internet gaming activities. Brief testimony was provided on the current state of the issue and on efforts at the state and federal level to either prohibit or regulate Internet gambling opportunities.

The General Affairs Committee will consider the testimony presented on these resolutions and report to the Legislature regarding how these issues should be dealt with by the full body. It is possible that one or more legislative bills will be introduced during the current legislative session to address some of these issues.

Legislature Begins New Session



The 1999 legislative session commenced on January 6th and what, you may ask, will be in store for charitable gaming this year? Only time will tell, as with nine new senators in the Legislature and a new Governor, we simply do not know where gaming issues will rank in the larger scheme of things this year. At any rate, the 1999 legislative session should be interesting to watch. You can utilize the following information to keep in touch with the Legislature:

CLERK OF THE LEGISLATURE

The Office of the Clerk of the Legislature is the administrative arm of the Legislature and maintains official records of all legislative business. The office publishes rosters listing senators and their staff, telephone numbers, committee assignments, and other information. The office also distributes weekly hearing schedules, the speaker's daily agenda, and daily worksheets indicating each bill's progress.

During the session, bill status inquiries and other questions may be answered through the Legislative Hot Line, which is accessible to people who are hearing and/or speech-impaired. The Hot Line is staffed from 8 a.m. to 5 p.m. on weekdays. After hours, callers will hear a recorded message of the next legislative day's agenda.

UNICAMERAL INFORMATION OFFICE

The Unicameral Information Office, a division of the Clerk's Office, produces the *Unicameral Update* and other publications and videos about the Legislature. Videos are available on loan for 10 days.

The *Update* is published weekly during the session and periodically during the interim. It is financed by the Legislative Council through the Clerk's Office.

To receive a free subscription to the *Update*, send your name and address to the Unicameral Information Office, or call the Legislature's 24-Hour Request Line.

BILL ROOM

Limited copies of legislative bills, resolutions, and daily Legislative Journals may be picked up in the Bill Room or ordered through the 24-Hour Request Line. Callers are asked to provide the bill numbers of the legislation they wish to receive. Unless another year is specified, copies of bills introduced during the current Legislature will be sent.

Subscriptions for copies of every bill introduced and the Journal are available for a fee, by sending a request to the Clerk's Office or by calling (402) 471-2608.

WEB SITE

An array of information on the Legislature is available at its Internet site on the World Wide Web, including information on bills, the lawmaking process, and the history of the Unicameral.

The site also features **UniCAM Live!**, which, with the cooperation of Nebraska Educational TV, brings to personal computers live video of floor activity from the George W. Norris Legislative Chamber. For questions regarding the Web site, contact the Unicameral Information Office. For questions regarding UniCAM Live!, contact Danny Brennenstuhl at (402) 471-2553 or Angela Lutz at (402) 471-2970.

NUMBERS / ADDRESSES

Clerk of the Legislature

Patrick J. O'Donnell
Room 2018, State Capitol
Lincoln, NE 68509-4604
(402) 471-2771

Hot Line

(Voice/Telephone Text - V/TT)
Lincoln 471-2709
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24-Hour Request Line

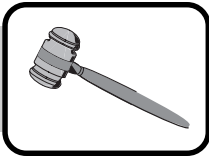
For bill copies or *Update* subscriptions
(402) 471-2877

Bill Room

Donabelle Miller, Supervisor
Room 1102, State Capitol
Lincoln, NE 68509-4604
(402) 471-2609

Web Site

Home Page:
<http://www.unicam.state.ne.us>
UniCAM Live!:
<http://www.unicam.state.ne.us/video.htm>



Administrative and Court Actions

The following cases reached final administrative determination or court decision since the last **GAMING UPDATE**:

In the Matter of Septemberfest Salute to Labor - Omaha, Docket Number 98-016-35G. This case involved allegations that pickle card units were delivered by someone other than a licensed sales agent. On May 26, 1998, the Tax Commissioner ordered Septemberfest to pay a \$200 administrative fine. Septemberfest has appealed the decision to the Lancaster County District Court.

In the Matter of JMC Enterprises, Inc. d/b/a Brownville Keno - Brownville, Docket Number 98-017-35G. This case involved allegations that the keno operation in Brownville had committed various violations of the Nebraska County and City Lottery Act. The Department brought an action to deny Brownville Keno's application for a county/city lottery operator's license for the 1997-99 license period. Prior to formal hearing, the parties reached an agreement whereby certain corrective measures were instituted by the lottery operator to better control the keno game. The 1997-99 county/city lottery operator's license was issued to Brownville Keno and the Department dismissed this action on August 28, 1998.

In the Matter of Goehner Volunteer Fire Department - Goehner, Docket Number 98-043-35G. This case involved allegations that several members of the Goehner VFD pled no contest to the charge of promotion of gambling - second degree in Seward County, Nebraska in violation of the Nebraska Pickle Card Lottery Act. The Department brought an action to suspend the Goehner VFD's license to conduct a lottery by the sale of pickle cards. Without admitting liability, Goehner VFD served a three-month suspension of its license to conduct a lottery by the sale of pickle cards and paid an administrative fine of \$2,500. The case was dismissed on July 2, 1998.

In the Matter of American Thrift Stores-Omaha, Ted Donovan, and Cheryl Kerrigan, Docket Numbers 98-044-35G, 98-045-35G and 98-046-35G. These cases involved allegations of the sale of pickle card units to an

operator who never had a pickle card authorization to sell for the organization. Without admitting liability, the organization and each sales agent paid administrative fines of \$200. The cases were dismissed on June 19, 1998.

In the Matters of Dinkers Bar and Lil Dinks Sports Club - Omaha, Docket Numbers 98-048-35G and 98-047-35G. These cases involved allegations regarding the use of profits from the sale of pickle cards for an unlawful purpose, specifically, payment to a pickle card operator of more than 30 percent of the definite profit. Without admitting liability, both the operator and the organization paid administrative fines of \$1,000. The cases were dismissed on August 7, 1998 and August 17, 1998, respectively.

In the Matter of VFW Post 1077 and Hubert M. Lang - Beatrice, Docket Numbers 98-049-35G and 98-050-35G. These cases involved allegations of the sale of pickle card units to an operator which had no pickle card authorization for the organization. Without admitting liability, both the organization and the sales agent paid administrative fines of \$100. The cases were dismissed on July 7, 1998.

In the Matter of Veterans of Foreign Wars Post 1681 - Gering, Docket Number 98-052-35G. This case involved allegations that the licensed organization filed inaccurate annual reports for its bingo game and for its pickle card lottery activity for the 1996-97 reporting year and then failed to timely correct the reports. Without admitting liability, the organization paid an administrative fine of \$1,000. The case was dismissed on November 16, 1998.

In the Matter of American Legion Post 139 - Minatare, Docket Number 98-053-35G. This case involved allegations that the licensed organization lacked the ability, experience and financial responsibility necessary to maintain its lottery by the sale of pickle cards. This conclusion stemmed from further allegations

that the licensed organization violated agreements it had previously entered into with the Department in an effort to avoid license denial. Without admitting liability, the organization accepted the cancellation of its license to conduct a lottery by the sale of pickle cards for a period of one year, agreed not to license certain individuals in regard to its pickle card activity at any time in the future, and agreed to file monthly reconciliations of its pickle card activity. The case was dismissed on October 26, 1998.



In the Matter of Lions Club of Brule, Docket Number 98-054-35G. This case involved allegations of payment to a pickle card operator of more than 30 percent of the definite profit from pickle cards as an inducement for the operator to sell individual pickle cards on behalf of the organization. Without admitting liability, the organization paid an administrative fine of \$1,500. The case was dismissed on November 4, 1998.



In the Matter of the City of Gering and Lucky Keno - Gering, Docket Numbers 98-057-35G and 98-056-35G. These cases involved allegations that the City of Gering and its county/city lottery operator, Lucky Keno, operated a keno sales outlet location, the Bluffview Pro Shop and Lounge, without licensing any of the outlet's

lottery workers. Without admitting liability, both parties paid administrative fines of \$250. The cases were dismissed on October 27, 1998 and October 7, 1998, respectively.



In the Matter of Mint Bar & Grill - Norfolk, Docket Number 98-058-35G. This case involved allegations that Mint Bar & Grill had failed to comply with certain financial provisions of the Nebraska Pickle Card Lottery Act. The Department brought an action to deny its application for a pickle card operator's license for the 1997-98 license period. Prior to formal hearing, Mint Bar & Grill corrected the statutory deficiencies. The 1997-98 pickle card operator's license was issued to Mint Bar & Grill and the Department dismissed this action on October 20, 1998.



In the Matter of Disabled American Veterans - Hastings, Docket Number 98-064-35G. This case involved allegations that the licensed organization possessed an illegal gambling device on its premises. Without admitting liability, Disabled American Veterans agreed to a suspension of its license to conduct a lottery by the sale of pickle cards for six months. The case was dismissed on November 12, 1998.



Additional Administrative Actions Concerning Late Filers

In the last edition of the **Gaming Update**, we published the results of numerous actions involving those licensees which were significantly late in filing their various renewal applications or annual reports. The fines assessed varied in range from \$100 to \$400 depending on the individual circumstances of each case. The chart below shows the remainder of the 1997-98 late filers.

While these actions were successful in getting the attention of affected licensees, the problem of late-filed renewal applications and annual reports continues to exist, although to a lesser extent. Some licensees have already received notification that an action has been filed against them for either late-filed renewal applications or annual reports or both for the 1998-99 license year. Hopefully, this current round of administrative actions will reduce the number of tardy filers to only a few licensees in future years.

Name of Licensee	Late Annual Report	Late License Application	Fine Paid/ Dismissal Date
Arnie's Shamrock Bar, O'Neill		✓	August 3, 1998
Eickhoff Enterprises, Inc., Hartington		✓	May 11, 1998
Eliot Nicholas, Inc., Omaha		✓	June 1, 1998
Carpenter's Local Union 1055, Lincoln		✓	May 20, 1998
American Italian Heritage Society, Omaha		✓	June 10, 1998
Lincoln Swim Club, Lincoln		✓	March 27, 1998
Detour Lounge, Cozad		✓	May 11, 1998
Pistol Club, Laurel		✓	July 28, 1998
Brewers Canoers Sportsman Bar, Valentine		✓	July 1, 1998
33 rd Street Saloon, Omaha		✓	June 17, 1998
LaPlatte Enterprises, Inc., LaPlatte		✓	July 7, 1998

License Year Reporting Reminders

Although 1998-99 license renewal application processing for the most part has been completed, there are a number of licensing-related situations which occur throughout the license year which may require your attention:

BINGO

- ✓ **If you intend to change the day, time, or location** of your organization's bingo occasions, the change(s) must be reported to the Department in writing at least 30 days in advance of the effective date of the proposed change.
- ✓ **A request for a limited period bingo authorization** must be submitted to the Department in writing at least 10 days prior to the beginning date of the limited period bingo.
- ✓ **A change in the organization's bingo chairperson or alternate bingo chairperson(s)** must be reported to the Department within 30 days of the effective date of the change.
- ✓ **For Class II bingo licensees, changes in disposable bingo paper pricing** or the addition of a new bingo paper or packet and corresponding price must be reported to the Department in writing at least 30 days prior to their implementation. **Please see Regulation 35-207 of the Bingo Regulations for additional requirements.**

PICKLE CARDS

- ✓ **A request for a special function pickle card authorization** by a licensed organization must be submitted to the Department in writing at least 10 days prior to the beginning date of the special event.
- ✓ **A request for cancellation of a sales agent license** must include a release signed by an officer of the licensed organization if the individual intends to apply for a sales agent's license for another licensed organization.
- ✓ **Class II pickle card licensees** must apply for a new pickle card operator authorization when a business licensed as a **pickle card operator changes ownership**. Prior to issuance of the new pickle card

operator authorization, the new ownership must have applied for and obtained a pickle card operator's license.

- ✓ Businesses which are operating under a temporary agency agreement granted by the Liquor Control Commission, may continue to sell pickle cards during the period of the temporary agency agreement provided the former business is licensed as a pickle card operator. **However, the temporary agency agreement is valid only for a maximum of 120 days or until such time as the new business has its own liquor license, whichever comes first.** Once the new business has its own liquor license, pickle card sales may only continue if the new business has obtained a pickle card operator's license and pickle card operator authorizations have been obtained by the licensed organizations which sell their pickle cards at this business.

LICENSE CANCELLATIONS

- ✓ In order to cancel any license during the course of a license year, our office must receive a **written request** from an owner, partner or corporate officer of a business licensed as a pickle card operator, or in the case of a nonprofit organization, a **written request** from an officer of the organization. In addition, all licenses originally issued by the Department must be returned to our office so that they can be destroyed.
- ✓ Depending on the type of gaming activity you are discontinuing, it may be necessary for you to contact our office in order to obtain assistance in the **proper disposal of any remaining pickle card inventory** you have or to obtain the required approval from the Department prior to selling or disposing of any bingo equipment you may have been using.

Keeping our office informed will enable us to maintain accurate records and will minimize the amount of unnecessary paperwork sent to you throughout the year, such as quarterly reports and tax returns, year-end annual reporting forms, or license renewal applications. If you have any questions, please feel free to contact any of our licensing staff for individual assistance.

Separate Gaming Bank Accounts Required

The Audit Section of the Charitable Gaming Division noted a somewhat disturbing trend while reviewing the 1997-98 annual reports filed by licensed organizations for their gaming activities: the improper commingling of proceeds from different types of gaming activities. **We want to remind all licensed organizations that maintaining and using separate bank accounts for bingo, pickle card, and licensed lottery/raffle activity is required by both statute and regulation.** Not only is the commingling of proceeds from different gaming activities prohibited, but commingling gaming proceeds (on initial deposit) with other sources of income of the organization is also prohibited. Bingo, pickle card or licensed lottery/raffle proceeds cannot be deposited directly into your general fund, club

account, or any other type of account, nor can you transfer funds from other accounts into your gaming account unless specifically authorized by statute or regulation. **You must have separate bank accounts for each of your licensed gaming activities.** The most common problem seen involved the proceeds from licensed lottery/raffle ticket sales, which many organizations were not depositing into a separate lottery/raffle bank account as required. Also, the lottery/raffle bank account was being used for some other type of activity, such as a one-time per year fund raiser. This is not acceptable. **Please ensure that your organization has established and is utilizing separate bank accounts for each of its licensed gaming activities. Failure to do so could result in an administrative fine.**

Who's Conducting That Raffle Anyway?

Nebraska law requires it to be a nonprofit organization

Did you know that in order to be eligible to conduct a lottery or raffle in Nebraska, you **must be a nonprofit organization**? Many people aren't aware of this requirement, and the Charitable Gaming Division receives a number of inquiries and complaints each year regarding lotteries and raffles being conducted by ineligible entities. Most of the time the offending parties have good intentions and simply aren't aware that **lotteries and raffles are a gambling activity** which is restricted under Nebraska law. Private individuals, for-profit businesses, and groups formed only to conduct a lottery or raffle simply cannot sell chances for their own lottery or raffle — **even if** they plan to donate the lottery or raffle proceeds to charity. When the Charitable Gaming Division becomes aware of these types of situations, we do everything we can to work with the parties involved to bring the lottery or raffle into compliance. Usually this involves finding an eligible nonprofit organization to take over the activity and obtain a lottery/raffle license if the situation so requires.

Unfortunately, we also often come across cases where a private individual or business thinks some "quick cash" can be made by raffling off a used car or some other type of personal property or cash. **These types of lotteries and raffles are strictly illegal in Nebraska**, and the Charitable Gaming Division has halted these types of events when we find them, and will continue to do so in the future. **Nebraska law also does not permit out-of-state organizations** to come into Nebraska and sell lottery or raffle tickets. To be eligible to conduct lotteries or raffles here, an entity must be a Nebraska-based nonprofit organization.

Our goal is to ensure that only eligible nonprofit organizations are conducting lottery and raffle events in Nebraska, and that the proceeds from such activities are used for lawful purposes. **For more information** on conducting lotteries and raffles, please contact us or check out our "Lottery and Raffle Information Guide" on the Department's Web site at www.nol.org/revenue/gaming/gaming.htm.

County/City Lottery News Briefs

- ☐ **Total dollars wagered on keno** for the period October 1, 1997 through September 30, 1998 were **\$152,155,905**. This represents a decrease of approximately four percent compared to the total dollars wagered on keno for the previous twelve-month period Total dollars wagered on keno for the period July 1, 1998 through September 30, 1998 were **\$36,217,424** which represents a decrease of almost four percent compared to the previous quarter, April 1, 1998 through June 30, 1998 (\$37,562,648).
- ☐ The Villages of **Shelton** and **Wolbach** were issued new county/city lottery licenses in August, 1998. However, the Village of Wolbach subsequently discontinued its lottery activity in November, 1998.
- ☐ The City of **Overton** has temporarily discontinued its county/city lottery activity since our last publication. Ownership changes at the only previously licensed sales outlet location caused this closure.
- ☐ The Village of **Creston** discontinued its county/city lottery activity in November, 1998. Creston was a newly licensed community in our last publication.
- ☐ The City of **Auburn** and its new lottery operator, Dennis Wheeler d/b/a The Wheeler Inn, were issued new licenses on August 31, 1998. Auburn had been without a lottery operator since December, 1996. Resumption of the lottery is anticipated sometime this month.
- ☐ The City of **Minatare** added a second lottery operator, Andrea and Jack Brunton, d/b/a Rancho Tavern, in May; however, the lottery has not yet started at this location. Minatare's game ceased May 10, 1998, when fire destroyed the other lottery operator location.
- ☐ The City of **Papillion's** lottery operator, Papillion Keno, Inc., licensed earlier in 1998, reopened on June 8, 1998. Papillion Keno, Inc., was open a short time in March before a fire at this location caused a temporary closure.
- ☐ The Village of **Belgrade's** sales outlet location (Frontier Saloon) closed in May, 1998, but a new sales outlet (Grandpa Pics) licensed in October allowed its lottery to reopen. The City of Benkelman, inactive since March, was issued a new sales outlet location license (Country Lanes) in October which allowed its lottery to reopen.
- ☐ During the November 3, 1998 election, **Fillmore County** and the Villages of **Milligan** and **Palmyra** approved a county/city lottery. We are not aware of other similar measures being defeated or approved in Nebraska since the May 12, 1998 election.

Want to Know More About Charitable Gaming?

Looking for a speaker for your next conference? Interested in starting a new gaming activity? In need of help understanding gaming requirements, rules, or forms? **CONTACT US!** We have staff members who specialize in gaming-related presentations both formal and informal. No group is too big or too small. Just give us a call and we will make arrangements to suit your group or organization needs, **(402) 471-5937**.



Is Your Keno System Year 2000 Compliant?

On the cover page of this newsletter is an article on year 2000 compliance. In light of that article, those of you which conduct keno operations (primarily lottery operators) should be **questioning the readiness** of your computerized keno systems for the year 2000. **If you have not yet had any communication with your equipment supplier regarding this issue, we would strongly suggest that you contact them** to find out their intentions relative to the keno system which you are currently using.

Our office has been monitoring the situation with each of the manufacturer-distributors involved (Automated Resources Group, Santa Barbara Systems Corp., and Imagineering Systems) and have received some indications from each as to the readiness of their systems for the year 2000.

- ✓ **Automated Resources Group:** Has indicated that their system is year 2000 compliant.
- ✓ **Santa Barbara Systems Corp:** We are awaiting the formal testing of software revisions to the Mega-2000 and Mega-3000 systems which will make them year 2000 compliant. The Mega-1000, as we understand it, will not be modified for year 2000 compliance.
- ✓ **Imagineering Systems:** There are a number of different systems in use in Nebraska which are supported by Imagineering Systems. The year 2000 compliance status of each of these systems as recently related by representatives of Imagineering Systems is as follows:
 - **ImagePlus/PCPlus** - The latest tested and approved software version (3.07) is year 2000 compliant. Users who are currently running earlier versions will be upgraded to 3.07.
 - **Phase IV** - Cannot guarantee year 2000 compliance. IBM will no longer support the hardware or the OS/2 operating software.
 - **SystemPlus** - This system will not be year 2000 compliant.
 - **KL2000** - This system is currently being modified to be year 2000 compliant. The revision has not yet been submitted for formal testing.

If you are unable to contact your equipment supplier or have other questions or concerns regarding the year 2000 compliance status of your keno system, you may **contact Steve Schatz in the Charitable Gaming Division, telephone (402)471-5943.**

Important Keno Reminders

- ✓ **When the ownership of a sales outlet location changes** and the keno game will be continued at that location, this new information is to be reported within 30 days of the approval of the location by the county, city, or village by filing a Nebraska Schedule II - County/City Lottery Sales Outlet Location Application, Form 50G, with required attachments. A new county/city lottery license is generally required whenever the ownership of a sales outlet changes. An exception would be where the "ownership change" merely consists of a change in the owners or officers of a corporation owning the sales outlet location. **However, the new ownership and officers are to be promptly reported in all situations.** Once the new license is issued, the license of the prior owner is to be returned to our office with a completed Schedule II reporting the cancellation.
- ✓ **County/city lottery winning number selection methods** include Random Number Generator (RNG) and Manual Ball Draw (MBD). If a community's governing body has approved using both methods of winning number selection, a schedule of the days and times each method is to be used must be filed with our office. The winning number selection method(s) to be used by each community is part of the information requested on new and renewal license applications. If number selection methods or the schedules of such methods are revised during a licensing period, these **changes must be promptly reported** to and approved by our office. If your community anticipates using both methods at a later date when volume warrants, please wait until both methods are going to be used before the community approves a schedule for switching methods and submits the change to us.
- ✓ **County/city lottery worker information is to be kept current** at all times by filing Nebraska Schedule III - County/City Lottery Worker Application, Form 50G. The properly completed and signed Schedule III is to be submitted prior to each new worker starting his or her duties at a location. All changes, including cancellations, are to be reported on a Schedule III within 30 days of the change. **Since lottery worker licenses do not have an expiration date, it is critical to submit cancellations as they occur.**

GAMING CALENDAR

JANUARY		APRIL	
1	All State Offices Closed - Happy New Year!	30	All State Offices Closed - Arbor Day
6	1999 Legislative Session begins		Forms 35C and 35D due from Class II bingo and pickle card licensees for period ending 3/31/99.
18	All State Offices Closed - Martin Luther King Jr. Day		Form 51 Tax Return and Applicable Schedules I, III, and/or IV Due. Last acceptable postmark date is April 30th.
30	Forms 35C and 35D due from Class II bingo and pickle card licensees for period ending 12/31/98. Last acceptable postmark date is February 1st.		
	Form 51 Tax Return and Applicable Schedules I, III, and/or IV Due. Last acceptable postmark date is February 1st.	MAY	
		31	All State Offices Closed - Memorial Day
FEBRUARY		JUNE	
15	All State Offices Closed - President's Day	?	Last Day of 1999 Legislative Session (Date not available at press time. Anticipated to be early to mid June)
		30	End of 1998-99 Annual Reporting Period

Compulsive Gamblers Assistance

Gamblers Anonymous 1-800-GAMBLER (National)

- ✓ Gamblers Anonymous (Lincoln) (402) 473-7933
- ✓ Gamblers Anonymous (Omaha) (402) 978-7557
- ✓ Gamblers 12 Step & Family (Omaha) (402) 978-7899

- ✓ Family Services (Omaha) (800) 762-0868
- ✓ Nebraska Council on Compulsive Gambling (Bellevue) (402) 291-0980



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